

15702
DECISION



HAS Further P.L.I
**THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548**

FILE:

B-190432

DATE: March 15, 1978

MATTER OF:

Otis Elevator Company

DIGEST:

Where contracting officer determines price submitted by sole small business bidder to be reasonable and where price cannot be said to be unreasonable inasmuch as it was less than award price for identical services on protester's immediately prior contract with activity, determination to make award notwithstanding fact that only one bid was received, rather than withdrawing set-aside, was proper.

The Veterans Administration (VA) Hospital in Washington, D. C., originally determined to procure its elevator and dumbwaiter maintenance needs by issuing solicitation No. 688-27-78 to the Otis Elevator Company (Otis), the incumbent contractor, on a sole-source basis. This solicitation was subsequently canceled, and on September 6, 1977, invitation for bids No. 688-29-78 was issued to five firms on a total small business set-aside basis. Only one bid was received by the September 29 bid opening date, a bid of \$14,931.96 from Warfield and Sanford, Inc. (Warfield). Since this price was determined by the contracting officer to be reasonable, the contract was awarded to Warfield.

Otis protests the award of this contract on the basis that the contracting officer failed to withdraw the small business set-aside after bid opening, when he became aware that only one bid was received, and that the bid price was unreasonable.

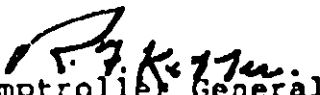
In section 1-1.706-3(b) of the Federal Procurement Regulations (1964 ed. amend. 101) it is provided that:

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"If prior to the award of a contract involving [a] * * * set-aside for small business, the contracting officer considers the procurement of the set-aside * * * would be detrimental to the public interest (e.g., because of unreasonable price), the contracting officer may withdraw [it] * * *."

Thus, it is not necessary to cancel a small business set-aside simply because only one small business submits a bid, provided, however, that the bid received is reasonable. See Wyle Laboratories, B-186526, September 7, 1976, 76-2 CPD 223. Whether a particular price is unreasonable is for determination by the contracting officer who must analyze the circumstances of each case. Our review is limited to the question of whether the contracting officer acted reasonably in making his determination. J. H. Rutter Rex Manufacturing Co., Inc., 55 Comp. Gen. 902 (1976), 76-1 CPD 182. We think the contracting officer acted reasonably, especially in view of the fact that the prior Otis contract for these same services was priced at \$22,210.08.

Accordingly, the protest is denied.


Deputy Comptroller General
of the United States